

VZCZCXRO2713
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #0435/01 0570109
ZNR UUUUU ZZH
P 260109Z FEB 09
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 1052
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RHMFIUU/USFJ //J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/CTF 72
RUEHNH/AMCONSUL NAHA 4979
RUEHFK/AMCONSUL FUKUOKA 2634
RUEHOK/AMCONSUL OSAKA KOBE 6423
RUEHNAG/AMCONSUL NAGOYA 0443
RUEHKSO/AMCONSUL SAPPORO 3185
RUEHBJ/AMEMBASSY BEIJING 7930
RUEHUL/AMEMBASSY SEOUL 3953
RUCNDT/USMISSION USUN NEW YORK 3900

UNCLAS SECTION 01 OF 12 TOKYO 000435

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 2/26/09

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule (Nikkei)

Ozawa's security policy:

- 4) Democratic Party of Japan President Ichiro Ozawa stresses that Japan should no longer "blindly follow" the U.S. security lead but build up own defense power (Mainichi)
- 5) Naha consul general says Ozawa does not understand importance of U.S. military presence in Japan, criticizes remark about shrinking troop presence (Sankei)
- 6) Ozawa is blasted by both the ruling and opposition camps for his remark about shrinking U.S. troop presence, boosting Japan's defense power (Nikkei)

Real security policy:

- 7) New anti-piracy law will allow MSDF to shoot first before being attacked by pirates (Nikkei)
- 8) Civilians to be added to MSDF table-top exercises premising skirmishes with pirates (Yomiuri)

Trading with the enemy:

- 9) Cops raid trading firm suspected of exporting missile materials to North Korea (Sankei)
- 10) Cops in Yokohama apprehend individual smuggling heroin producing chemical to Afghanistan for possible use by Al Qaeda (Tokyo Shimbun)

Aso diplomacy:

- 11) Government satisfied with Aso-Obama summit meeting for agreement

- on jointly responding to North Korea threat, understanding of abduction issue (Yomiuri)
- 12) Ambassador Saito confident that northern territory issue can be settled at the summit meeting level (Yomiuri)
- 13) Prime Minister Aso filling diplomatic schedule to bolster position (Asahi)
- 14) Prime Minister Aso used his English in Washington but few could understand him (Yomiuri)
- 15) DPJ considering possibility of filing a no-confidence motion against the Aso cabinet (Yomiuri)
- 16) Government considering additional stimulus package with projects worth 20 trillion yen (Mainichi)
- 17) Mainichi poll: 70 PERCENT of public do not appreciate the government's jobs policy (Mainichi)
- 18) Foreign tourists in Japan drop by 18 PERCENT (Mainichi)

Articles:

1) TOP HEADLINES

Asahi:

Arrest warrant issued for company head for allegedly making wrong use of low-rate mailing service system for physically handicapped

Mainichi:

TOKYO 00000435 002 OF 012

Survey shows many parents unaware of how children using mobile phone services

Yomiuri:

Teens are addicted to mobile phones

Nikkei:

Domestic demand-based firms likely to maintain new graduate hiring at high levels next spring

Sankei:

Trading firm allegedly exports missile materials to North Korea

Tokyo Shimbun:

Nishimatsu Construction Co. provided funds to aide to Nagano governor, according to testimony by person concerned

Akahata:

Japanese, U.S. leaders agreed to strengthen bilateral alliance

2) EDITORIALS

Asahi:

- (1) Japan-U.S. summit: U.S. visit by weak Aso treated lightly in U.S.
- (2) Obama's address: Difficulties and hopes lie before Obama

Mainichi:

- (1) Japan-U.S. summit: Diplomacy can be promoted based on public support
- (2) We expect Obama to take action after words

Yomiuri:

- (1) Active diplomatic approach needed to strengthen Japan-U.S. alliance
- (2) Obama faces many tasks to clear to put economy on recovery track

Nikkei:

- (1) Obama holds talks with "Japanese prime minister"
- (2) Obama scolds American people

Sankei:

- (1) Japan should respond to U.S. priority to Japan with actions

(2) Obama expected to display strong leadership in revitalizing economy

Tokyo Shimbun:

(1) Means to score points through diplomatic event no longer acceptable

(2) Obama address frankly reflects sense of alarm

Akahata:

(1) "Multifaceted alliance" contains dangerous factors

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, February 24

NIKKEI (Page 2) (Full)
February 26, 2009

TOKYO 00000435 003 OF 012

(Local time)

Noon

Had a luncheon with CSIS President Hamre, former National Security Advisors Brzezinski and Scowcroft, and former Deputy Secretary of State Armitage at the Mandarin Oriental Hotel in Washington. Lied a wreath at the Arlington National Cemetery.

Afternoon

Held talks with Senator Inouye at the Mandarin Oriental Hotel. Departed from Andrews Air Force Base on a special government plane.

Prime Minister's schedule, February 25

NIKKEI (Page 2) (Full)

February 26, 2009

(Japan time)

22:01

Arrived at Haneda Airport.

22:31

Met at his official residence with LDP Secretary General Hosoda, New Komeito Representative Ota, and Secretary General Kitagawa, in the presence of Chief Cabinet Secretary Kawamura, his deputies Matsumoto and Konoike, Assistant Chief Cabinet Secretary Hayashi, and Deputy Foreign Minister Sasae.

4) Ozawa stresses need to break away from "blindly following U.S."

MAINICHI (Page 5) (Full)
February 26, 2009

Along with the Japan-U.S. summit, Ichiro Ozawa, president of the leading opposition Democratic Party of Japan (Minshuto), reiterated his advocacy yesterday of reducing the U.S. military presence in Japan and clearly set forth his stance of breaking away from "blindly following the United States." This underscored his long-standing argument for an "equal Japan-U.S. alliance," that would come with a change of government after the next election for the House of Representatives. At the same time, however, Ozawa also suggested the need for Japan to build up its defense power. One expert said, "What he is saying will need constitutional revision." In addition, his remarks gave rise to a sense of bewilderment or wariness among opposition parties.

"We should talk with the United States about global strategies for role-sharing, and if Japan takes on its own role in the security area that is deeply related to Japan, then the U.S. military's role will be lessened," Ozawa told reporters yesterday in the city of Osaka. He added: "The U.S. presence is necessary, but generally speaking, the presence of the (U.S. Navy's) Seventh Fleet (based in Yokosuka, Kanagawa Prefecture) is enough. After the U.S. military's pullout, Japan could fulfill its responsibility for its own

defense."

According to one DPJ official close to Ozawa, what Ozawa said means that if Japan takes on an appropriate burden for its national defense in the role of U.S. Forces Japan, the 7th Fleet would be enough for "stability in the Far East."

TOKYO 00000435 004 OF 012

However, Satoshi Morimoto, a professor of security affairs at Takushoku University's graduate school, said, "The U.S. forces in Japan have troops from the Marine Corps and the Air Force. The Seventh Fleet is a part of the Navy, and its presence alone can only fulfill a portion of the deterrence functions." Morimoto also said, "If Japan is going to take over the U.S. military's role after they are gone, that means rearming and it will be necessary to amend the Constitution."

Kazuo Shii, chairman of the Japanese Communist Party, warned: "Becoming an equal partner by going for armaments expansion is the wrong way. The more Japan builds up its military power, the more the United States will use it." Mizuho Fukushima, head of the Social Democratic Party, was at a loss, saying: "He said the Seventh Fleet is enough. What comes after that will have a different meaning, if that means Japan will do it on its own or if that means to reduce bases. We are against arms expansion."

However, DPJ Secretary General Yukio Hatoyama told reporters in Tokyo: "What he meant, I think, was that the threat in the Far East is not increasing. He was not thinking about a military build up by Japan." With this, Hatoyama sought understanding for Ozawa's remarks. However, he also developed his own view, saying: "If in the future we lay down a missile defense network or other systems, we will be able to maintain the security of Japan within the bounds of Japan's exclusively defense-oriented policy, even if we do not depend on the United States."

5) U.S. consul general criticizes remark about shrinking U.S. troop presence: "Mr. Ozawa does not understand"

SANKEI (Page 5) (Full)
February 26, 2009

Kevin Maher, U.S. consul general in Okinawa, in a press conference on Feb. 25, criticized the view expressed by Democratic Party of Japan (DPJ) President Ichiro Ozawa that in the future having only the U.S. Navy stationed in Japan would be sufficient. He stated: "The security environment in the Far East cannot be taken lightly. (He) does not understand the indispensability of the Air Force, the Marines and other services." He stressed the importance of maintaining the readiness of the Army, Air Force and the Marines.

In addition, the consul general revealed that his appointment to head the Japan Desk at the State Department, who administers Japan policy at the working level, "will be formally decided next week."

On the issue of the relocation of Futenma Air Station, he restated his view rejecting the request of the prefecture to move the site of the runway into the ocean, saying, "(The current proposal) is a plan that balances the impact on the environment and on local residents. Construction of the land portion has already begun; this is not the time for reconsideration."

A Liberal Democratic Party lawmaker with cabinet experience yesterday criticized Ozawa's remark, saying: "Northeast Asia has the North Korea and the Taiwan Strait issues. The presence of the U.S. Marines (as part of the U.S. forces in Japan) is significant as a landing force. Mr. Ozawa does not seem to understand such (the importance of military balance)."

TOKYO 00000435 005 OF 012

6) Ozawa's remark about Seventh Fleet being enough U.S. military presence in Japan creates stir; Ruling camp: Japan-U.S. alliance

would crumble; Opposition camp: If it means arms buildup, he's mistaken

NIKKEI (Page 2) (Excerpt)
February 26, 2009

The statements by Democratic Party of Japan (DPJ) President Ichiro Ozawa on Feb. 24 that included, "The U.S. presence in the Far East of only the 7th Fleet would be enough," has created a stir in the ruling and opposition camps. That is because the remarks have been taken to mean that if the DPJ gets into power, it would build up Japan's independent defense power to replace the reduction in U.S. bases in Japan.

Hidehisa Otsuji, chairman of the Liberal Democratic Party (LDP) Upper House lawmakers' caucus, criticized Ozawa yesterday, saying, "I was a statement extremely lacking in judgment that revealed an ignorance of the reality of Japan-U.S. defense affairs." On senior lawmaker from the ruling camp said, "It will create cracks in the bilateral alliance."

7) New anti-piracy legislation: Government, ruling parties to allow firing at pirate ship approaching civilian vessel if it ignored warning

NIKKEI (Page 1) (Abridged slightly)
February 26, 2009

The government and ruling parties have decided to relax a set of weapons-use criteria governing the Self-Defense Forces and the Japan Coast Guard for the envisaged new legislation to deal with piracy in waters off Somalia, Africa. The new law will allow firing at a pirate ship that approaches a civilian vessel in defiance of a warning. At the same time, firing at pirates who fled after a warning would not be allowed.

The ruling parties' anti-piracy project team confirmed such rules in its meeting yesterday. The team plans to meet again on March 4 to formally decide on the new legislation to present it to the Diet by early March.

The government intends to invoke in early March an action for maritime policing operations under the existing SDF Law to dispatch Maritime Self-Defense Force vessels to let them begin escorting vessels by April. In this case, weapons use will be allowed only in self-defense and emergency evacuation under Article 7 of the Police Duties Execution Law. Article 20 of the JCG Law allows firing at a fleeing vessel for the purpose of stopping it only within Japanese waters.

In studying the new legislation, the government and the ruling parties recognized the need to allow firing at a pirate ship approaching a private vessel in defiance of a warning in order to increase the effectiveness of controls. For the time being, the scope of protection will be limited to Japanese-registered ships and vessels carrying Japanese cargoes. Foreign vessels will be included under the new law.

The JCG will single-handedly deal with pirates and the MSDF will be dispatched when such is not enough. In deploying the MSDF, its

TOKYO 00000435 006 OF 012

activities must be approved by the prime minister and that must be reported to the Diet later.

8) Antipiracy drill to involve civilians

YOMIURI (Page 2) (Abridged)
February 26, 2009

The Maritime Self-Defense Force will conduct a command post exercise (CPX) for its destroyers to convoy commercial ships against pirates in waters off the eastern African coast of Somalia. The CPX will be held March 2-3 at a Defense Ministry facility in Tokyo with the participation of government organizations, including the Defense Ministry and the Land and Transport Ministry. The drill will also

involve personnel from shipping firms operating or managing freighters or other merchant ships. For the first time civilians will join training in the run-up to the Self-Defense Forces' international cooperation.

The CPX is intended for such cases as: 1) a merchant ship, which is off course and away from a fleet, is targeted by pirate ships; 2) a Japanese crewman is shot by a pirate ship and injured, and the MSDF fights back against that pirate ship and halts it. In any case, the desktop drill will be conducted in anticipation of situations where the MSDF will use weapons to fire warning shots or other purposes.

9) Kanagawa prefectural police to raid trading firm that illicitly exported missile materials to North Korea on suspicion of violation of foreign trade control law

SANKEI (Top play) (Abridged slightly)
February 26, 2009

Kanagawa prefectural police decided yesterday to conduct an investigation into a Tokyo trading firm exporting goods to North Korea on suspicion that it has illicitly exported military-convertible materials to North Korea without the METI minister's authorization via a third country, a violation of the Foreign Exchange and Foreign Trade Control Law. The police will soon search the firm and related facilities.

According to investigators, the firm in question is a company handling machine components. Exported materials are said to be indispensable for missile production. A large amount of such materials are suspected to have been exported to North Korea.

Because exporting such materials directly to North Korea is highly restricted and is difficult to do in reality, cases of persons hand-carrying such materials into the North via a third country have been increasing recently.

Security authorities believe the North has ordered "roundabout exports." There is a possibility that the degree of sanctions imposed on North Korea will spark controversy.

In its inspections of nuclear facilities in North Korea in 2007, the International Atomic Energy Agency (IAEA) found Japanese-made vacuum pumps usable to produce nuclear weapons.

Kanagawa prefectural police searched a Kanagawa machine equipment maker and a Tokyo trade agent and sent papers on the president of the trade agent to prosecutors last July.

TOKYO 00000435 007 OF 012

Frequency converters usable for nuclear development were illegally exported in 2004 and a freeze dryer adaptable for the production of biological weapons was also exported in 2006. This was followed by the arrest of the president a Tokyo trading firm exporting goods to North Korea.

A senior police officer said: "In many cases, the managements of trading firms doing business with the North are convicted criminals."

10) Raw material of narcotic drugs confiscated: Several tons also found at Yokohama port

TOKYO SHIMBUN (Page 25) (Full)
February 26, 2009

Tokyo Shimbun has learned that several tons of acetic acid anhydride, used for purifying heroin, were found in Afghanistan-bound cargo at Yokohama port. The Yokohama Customs House has confiscated them. The Yokohama Customs House and the Kanagawa Prefectural Police have launched an investigation, determining that it is a smuggling case.

About 1 ton of acetic acid anhydride was also found in cargo bound for Afghanistan at Nagoya port this month. The investigative

authority is probing possible connections between the two cases. The National Police Agency is undergoing procedures to put a Pakistani suspected of having been involved in smuggling in this incident on an international wanted list.

It has also been found through an interview with the South Korean policy authority that an Afghan, who was arrested in July last year for an attempt to smuggle out the same material procured in Japan to Afghanistan via South Korea, told the police that he was asked by a member of Al Qaida, an international terrorist group.

Afghanistan is the world's leading drug producer nation. It is allegedly serving as funding sources for Al Qaida and the anti-government Taliban militants. Judging from the series of incidents, there is a possibility that terrorists are procuring acetic acid anhydride, a material necessary for the purification of heroin, in Japan.

Acetic acid anhydride is used for the manufacturing of skin lotion and pharmaceuticals in general. It is designated as a special raw material for psychotropic and narcotic drugs. Exports of pharmaceuticals require a notification to the state, if their acetic acid anhydride content exceeds 50 PERCENT . The UN has adopted a resolution prohibiting the supply of that material to Afghanistan.

11) Japanese, U.S. leaders vow to jointly deal with North Korea's threat: Government views that a certain level of understanding of abduction issue has been obtained

YOMIURI (Page 2) (Full)
February 26, 2009

Prime Minister Aso and President Obama during their bilateral summit held in Washington on the morning of February 24, early hours of the 25th, Japan time, agreed to take joint steps in dealing with issues concerning North Korea, including the abduction of Japanese

TOKYO 00000435 008 OF 012

nationals. The Japanese government appreciates the agreement, with one official noting, "We have obtained a certain level of understanding from the U.S." North Korea has not softened its provocative stance, hinting it plans to test-launch a ballistic missile. How to chart a strategy for settling the issues remains a challenge.

Emerging from the meeting, the prime minister told reporters: "The president had intimate knowledge of North Korean affairs. He was well aware of the abduction issue. I had the impression that the amount of time in which President Obama spoke was longer than the length of my remarks." He underscored that the president is highly interested in issues concerning North Korea. Asked by a reporter, "Do you mean that President Obama indicated understanding of Japan's stand?" Aso promptly replied, "Naturally."

The two leaders agreed to cooperate to reach a comprehensive settlement of such pending issues as the abductions, nuclear weapons, and missiles. An official who traveled with the prime minister revealed that Tokyo had hoped to secure during the summit unstinting cooperation from the U.S. for the settlement of the abduction issue. Tokyo's objective has been met with the president indicating his stance that Japan and the U.S. should collaborate in settling the issue.

North Korea at the formal working level talks with Japan held in August last year announced a plan to set up a committee to reinvestigate abduction cases. However, it has thus far made no specific moves. The six-party talks to discuss North Korea's nuclear program were held in December last year after a hiatus of five months. The meeting, however, broke down, failing to adopt a framework for verifying the nuclear development program submitted by North Korea. There are no prospects for resuming the talks. How to win concessions from North Korea remains unclear.

12) Ambassador to Russia Saito on agreement that the Northern Territories issue should be settled by incumbent leaders

Referring to the agreement reached at the Japan-Russia summit on February 18 that a direction should be given regarding the territorial issue so that a settlement can be reached by their generation, Ambassador to Russia Saito during an interview with the Yomiuri Shimbun on the 25th took the view that it means they would address the issue while they are in office.

Ambassador Saito attended a meeting, which discussed the territorial issue on the sidelines of the summit, joined by a small number of persons.

According to Saito, Aso referred to his policy speech delivered in January, in which he noted that he would promote relations with Russia in wide areas. Aso then underscored the need to settle the territorial issue in tandem with economic cooperation, noting: "We will cooperate concerning Russia's matter of concern regarding Japan. The essence of the matter is to bring up the attribution issue, by facing the matter of concern for Japan as well."

President Medvedev reportedly showed approval of the prime minister's remark. The ambassador said, "I clearly perceived the

TOKYO 00000435 009 OF 012

president's political desire to settle the issue."

13) Prime Minister Aso sets full diplomatic schedule

Prime Minister Taro Aso, who has already met with U.S. President Barack Obama and Russian President Dmitry Medvedev, is now trying to set a full diplomatic schedule running up to the summer. Russian Prime Minister Vladimir Putin will visit Japan in May. The government also is arranging summit meetings between Aso and Chinese and South Korean leaders. Lurking in the background appears to be Aso's intention to constrain anti-Aso forces who are calling for replacing the prime minister.

Since Chinese President Hu Jintao visited Japan last May, Aso is expected to make a trip to China this year. The outlook is that Aso's visit to Beijing will be on the agenda in a meeting on Feb. 28 of the Japanese and Chinese foreign ministers. At the request of Aso during a telephone conversation on Feb. 23, South Korean President Lee Myung Bak expressed his intention to visit Japan as early as possible.

In a street corner speech delivered immediately after taking office, Aso said with confidence: "Taro Aso is the most effective person to use in the diplomatic and economic areas," citing his long service as foreign minister. Although his flip-flops in internal politics have been criticized, his diplomacy is appreciated by the ruling parties.

New Komeito Secretary General Kazuo Kitagawa praised Aso at a press conference yesterday, saying: "Regarding internal politics, he has come under severe criticism from the public, but he has dealt well with diplomatic issues. He should be praised."

However, Aso's declining support rates are known to various foreign governments. Therefore, there is no guarantee that he will be able to take advantage of his summits with foreign leaders to boost his popularity. Some critics point out the danger in seeking excessive diplomatic achievements. Referring in a Lower House Budget Committee session to the Japan-Russia summit, in which the two leaders discussed the territorial row, New Party Daichi leader Muneo Suzuki gave Aso a warning:

"I understand that Japan will not conclude a peace treaty (with Russia), unless the ownership of the four islands is confirmed. Is my understanding correct? I want the prime minister to follow principles."

Aso wants to turn around the situation, by using upcoming diplomacy to help him out. If the summit meetings under coordination are realized, his diplomatic schedule will run until the Group of Eight (G-8) summit in July, in which Aso is eager to attend.

14) Nagatacho field note: Prime Minister Aso's English could not be picked up

YOMIURI (Page 4) (Full)
February 26, 2009

Prime Minister Taro Aso talked with U.S. President Barack Obama in
TOKYO 00000435 010 OF 012

English at the outset of their meeting on Feb. 24. The President called on the Prime Minister to strengthen the bilateral alliance between the two countries. In response, Aso said: "Since there are many issues, Japan and the United States have to work together." According to the Foreign Ministry, Aso used Japanese after that.

The minute the White House released later, however, does not include the phrase "have to work together," instead the phrase "could not be picked up" is written. It is not unusual that such a phrase is written in the White House minutes. Actually, the same phrase appeared in the minutes of a conference held the previous day between the President and Congress sources.

Aso, who has often misreads Chinese characters, is confident about his spoken English. It is unknown why his English was unable to be understood. Aso's capability of speaking English appears to have been jinxed.

15) DPJ's Yamaoka: Filing no-confidence motion is one option

YOMIURI (Page 4) (Full)
February 26, 2009

When asked about whether his party would submit a no-confidence motion against the cabinet of Prime Minister Taro Aso in a CS broadcasting program, Democratic Party of Japan (DPJ) Diet Affairs Committee Chairman Kenji Yamaoka said yesterday: "We are considering it. I think the party will file one after considering its necessity and efficacy." He indicated in his remark that the DPJ would consider submitting to the ongoing Diet session a no-confidence motion against the cabinet.

Yamaoka took the view that usually the submission of a no-confidence motion would usually contribute to strengthening the unity of the ruling parties. He said:

"If a no-confidence motion against the cabinet is submitted, (ruling coalition lawmakers) would reluctantly have to vote against it. Since the motion is like glue that would hold together the rickety cabinet, our filing a no-confidence motion is not necessarily a panacea."

Yamaoka also indicated that a no-confidence motion would have an effect to urge the ruling parties to take a litmus test, noting:

"However, since Prime Minister Aso has come under severe criticism, we may be able to see what action (ruling coalition lawmakers who are critical of the prime minister) will take, when we submit a no-confidence motion."

As to whether the DPJ might submit a censure motion against the prime minister, he took a cautious stance, saying: "It is unreasonable to immediately submit one," since deliberations on the fiscal 2009 budget will start next week.

16) Government to compile additional economic package worth 20 trillion yen on project scale

MAINICHI (Page 1) (Full)
February 26, 2009

The government and the ruling parties decided yesterday to start

work to compile a large-scale additional economic stimulus package by the end of this month. The package will include measures to improve the rapidly worsened economic climate and bolster falling Tokyo stocks prices, focusing on job-creation measures and public works projects. The package is expected to be worth approximately 20 trillion yen on a project scale and about 6 to 8 trillion yen in fiscal spending. The government aims to come up with a larger-scale one than the three packages worked out since last summer, in an effort to prop up stock prices and to prevent the economy from sinking deeper.

The government eyes reserves (untapped funds) in special accounts and new construction government bonds as sources of revenue to finance the projects, but it will also include the issuance of deficit-covering bonds in its options.

The nation's real gross domestic product (GDP) for the Oct-Dec period in 2008 fell to record low since the first oil crisis. In addition, on the Tokyo Stock Exchange on the 24th, the Nikkei Stock Average of 225 issues closed at the lowest level since the bubble economy burst. These causes for concern prompted the government and the ruling camp to decide to take fresh measures.

Their decision also reflects requests from other countries, such as a call by U.S. President Barack Obama on Japan to expand domestic demand during his meeting with Prime Minister Taro Aso.

The government intends to start a full-scale discussion in the ruling camp to decide the basic outline of the package after the fiscal 2009 initial budget bill clears the House of Representatives. It will then compile a first supplementary budget bill for fiscal 2009 to finance the measures in it.

As specific measures, the government expects to move up public works projects that are planned to be implemented over several years to fiscal 2009 as much as possible. It also eyes measures to promote Shinkansen construction and to accelerate laying down optical fibers in depopulated areas, as well. The government is also looking into proposing a Japanese version of the Green New Deal Policy to spread solar energy and next-generation automobiles across the nation with government funds.

As employment measures, the government eyes a new system to offer funds to those who are no longer on the unemployment rolls on the condition of receiving vocational training, in accordance with the Democratic Party of Japan's proposal.

17) Poll: 70 PERCENT don't appreciate jobs measures

MAINICHI (Page 5) (Abridged)
February 26, 2009

The Mainichi Shimbun, in its Feb. 21-22 telephone-based nationwide public opinion survey, asked respondents about the government's employment measures. In response to this question, negative answers substantially outnumbered affirmative answers, with "no" accounting for 70 PERCENT and "yes" at 20 PERCENT. In the survey, respondents were also asked about "work sharing" or shortening each employee's working hours for many people to share jobs for their job security. To this question, affirmative answers accounted for 57 PERCENT, with negative ones at 33 PERCENT.

18) Number of foreign visitors for January drops 18 PERCENT to 580,000, marking sixth consecutive month decline

MAINICHI (Page 2) (Abridged slightly)
February 26, 2009

Ichiro Igawa

The number of foreigners who visited Japan in January dropped 18.4 PERCENT from the same month the previous year to 588,000, according to the Japan National Tourism Organization's (JNTO) announcement yesterday. It was the sixth consecutive month that showed a year-on-year decline, indicating a persistent major drop due to the global economic recession.

South Korea topped the list with 129,000. The figure, however, represented a 52.3 PERCENT year-on-year drop due to the depreciation of the won. The United States, Britain and France also showed two-digit declines. Visitors from China increased 31.4 PERCENT. The numbers of visitors from Hong Kong or Singapore also increased more than 30 PERCENT.

JNTO commissioner Yoshiaki Honpo indicated in a press conference yesterday that his organization has set its target for 2009 at 8.35 million visitors, the same as the figure achieved in 2008.

ZUMWALT